

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

KEITH SMITH, derivatively on behalf of ZION
OIL & GAS, INC.,

Plaintiff,

vs.

VICTOR G. CARRILLO, MICHAEL B.
CROSWELL, JR., JOHN M. BROWN,
DUSTIN L. GUINN, FORREST A. GARB,
KENT S. SIEGEL, PAUL OROIAN, WILLIAM
H. AVERY, THE ESTATE OF YEHEZKEL
DRUCKMAN, LEE RUSSELL, JUSTIN W.
FURNACE, GENE SCAMMAHORN, RALPH
F. DEVORE, and MARTIN M. VAN
BRAUMAN,

Defendants,

and

ZION OIL & GAS, INC.,

Nominal Defendant.

C.A. No. 18-cv-1399-RGA

JEFF DUFFY, derivatively on behalf of ZION
OIL & GAS, INC.,

Plaintiff,

vs.

VICTOR G. CARRILLO, MICHAEL B.
CROSWELL, JR., JOHN M. BROWN,
DUSTIN L. GUINN, FORREST A. GARB,
KENT S. SIEGEL, PAUL OROIAN, WILLIAM
H. AVERY, THE ESTATE OF YEHEZKEL
DRUCKMAN, LEE RUSSELL, JUSTIN W.
FURNACE, GENE SCAMMAHORN, RALPH
F. DEVORE, and MARTIN M. VAN
BRAUMAN,

C.A. No.: 18-cv-1725-RGA

Defendants,
and
ZION OIL & GAS, INC.,
Nominal Defendant.

**JOINT STIPULATION AND ~~[PROPOSED]~~ ORDER CONSOLIDATING RELATED
ACTIONS AND APPOINTING CO-LEAD COUNSEL**

WHEREAS, on September 10, 2018, Keith Smith filed a verified shareholder derivative complaint in this Court, and on November 1, 2018, Jeff Duffy filed a verified shareholder derivative complaint in this Court (the “Actions”);

WHEREAS, the Actions collectively allege claims against defendants Victor G. Carrillo, Michael B. Croswell, John M. Brown, Dustin L. Guinn, Forrest A. Garb, Kent S. Siegel, Paul Oroian, William H. Avery, The Estate of Yehezkel Druckman, Lee Russell, Justin W. Furnace, Gene Scammahorn, Ralph F. DeVore, and Martin M. van Brauman (the “Individual Defendants”) and Zion Oil & Gas, Inc. (“Zion” or “Nominal Defendant,” and together with Individual Defendants, the “Defendants”);

WHEREAS, plaintiffs in the Actions (“Plaintiffs”) agree that the Actions contain nearly identical factual and legal contentions, and the administration of justice would be best served by consolidating the Actions and appointing Co-Lead Counsel and Liaison Counsel as set forth herein;

WHEREAS, without waiving any rights, arguments or defenses, Defendants agree the Actions should be consolidated and take no position regarding appointment of Co-Lead Counsel or Liaison Counsel;

WHEREAS, this stipulation is not a waiver of any of the parties’ rights, remedies, claims, or defenses.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, and upon approval and entry by the Court shall be ORDERED, as follows:

1. The Actions are hereby consolidated for all purposes, including pretrial proceedings, trial, and appeal, and are referred to herein as the "Consolidated Action."

2. The file in *Smith v. Carrillo, et al.*, Case No. 1:18-cv-01399, shall constitute the Master File for every action in the Consolidated Action. When the document being filed pertains to all actions, the phrase "This Documents Relates to All Actions" shall be placed on the cover page. When a pleading applies only to some, not all, of the actions, the document shall list on the cover page the phrase "This Document Relates To:", the docket number for each individual action to which the document applies, along with the last name of the first-listed plaintiff in said action.

3. Every pleading filed in the Consolidated Action, or in any separate action included herein, shall bear the following caption:

IN ZION OIL & GAS, INC. STOCKHOLDER DERIVATIVE LITIGATION

Master File No.: 1:18-cv-01399

4. The following law firms are designated Co-Lead Counsel for Plaintiffs in the Consolidated Action:

The Brown Law Firm, P.C.
240 Townsend Square
Oyster Bay, New York 11771
Telephone: (516) 922-5427

Glancy Prongay & Murray LLP
712 Fifth Avenue
New York, New York 10019
Telephone: (212) 935-7400

5. Plaintiffs believe that their counsel, The Brown Law Firm, P.C. ("Brown") and Glancy Prongay & Murray LLP ("Glancy"), are qualified to advocate for Plaintiffs. See Brown firm resume attached hereto as Exhibit A and Glancy firm resume attached hereto as Exhibit B. Defendants take no position on the qualifications or appointment of lead counsel for Plaintiffs.

6. Co-Lead Counsel shall represent Plaintiffs in the prosecution of the Consolidated Action, determine and present to the Court and opposing parties the position of Plaintiffs on all

matters arising during pretrial negotiations, delegate and monitor the work performed by Plaintiffs' attorneys to ensure that there is no duplication of effort or unnecessary expense, coordinate on behalf of the Plaintiffs the initiation and conduct of discovery proceedings, have the authority to negotiate matters with Defendants' counsel, and perform such other duties as may be incidental to the proper coordination of Plaintiffs' pretrial activities or authorized by further order of the Court. Defendants' counsel may rely on all agreements made with either of Co-Lead Counsel, or other duly authorized representative of Co-Lead Counsel, and such agreements shall be binding on all Plaintiffs.

7. The following law firm is designated as Plaintiffs' Liaison Counsel in this Consolidated Action:

Farnan LLP
919 N. Market St., 12th Floor
Wilmington, DE 19801

8. Plaintiffs' Liaison Counsel shall perform all tasks expected of Delaware counsel and shall be primarily responsible for communications between Plaintiffs and the Court and for Plaintiffs' filings with the Court.

9. The Parties to this Stipulation agree that it would be duplicative and wasteful of the Court's resources for any Defendant who has been properly served, has agreed to accept service, or who is served in the future to have to respond whether by answer or motion to the individual complaints before a consolidated complaint is filed in the Consolidated Action. Therefore, the Parties to this Stipulation agree that any Defendant who has been properly served, has agreed to accept service, or who is served in the future, need only respond, plead, move, or answer to any consolidated complaint filed in the Consolidated Action or to any other related shareholder derivative complaints that are subsequently assigned or transferred to this Court. To the extent that any Defendant now named in any of the existing complaints filed in the Consolidated Action is not named in the consolidated complaint, the claims against such Defendant shall be deemed

dismissed without prejudice. Any pleading filed or served in one of the underlying actions shall become part of the Consolidated Action.

10. Upon entry of an order on this Stipulation, the Parties will promptly meet and confer regarding a schedule for the filing of a consolidated complaint and Defendants' response(s) thereto.

11. This Joint Stipulation and Order shall apply to each action arising out of the same transactions and occurrences and asserting derivative claims filed in this Court or transferred here, and Co-Lead Counsel shall assist the Court by calling to the attention of the Court the filing or transfer of any such action, and Co-Lead Counsel shall assure that counsel therein receive notice of this Stipulation and Order. Unless otherwise ordered, the terms of all orders, rulings, and decisions in the Consolidated Action shall apply to all later shareholder derivative actions involving Zion that are filed in this Court.

12. This Order is without prejudice to the right of any Defendant to raise any and all arguments or defenses concerning the claims raised in the Consolidated Action. By entering into this Stipulation, each Defendant preserves all objections and challenges of any kind, including jurisdictional.

13. This Order is without prejudice to the right of any Plaintiff to raise any and all arguments or claims. By entering into this Stipulation, each Plaintiff preserves all claims of any kind.

14. The parties who have signed this Stipulation consent to service by electronic mail of all motion papers, such service shall be effective upon transmission, and no such other service shall be required.

Dated: November 26, 2018

Respectfully submitted,

FARNAN LLP

/s/ Brian E. Farnan

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[Proposed] Co-Lead Counsel for Plaintiffs

Dated: November 26, 2018

RICHARDS, LAYTON & FINGER, P.A.

/s/ Travis S. Hunter

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Counsel for Defendants

PURSUANT TO STIPULATION, IT IS SO ORDERED this 27 day of
November, 2018.


THE HONORABLE RICHARD G. ANDREWS
DISTRICT COURT JUDGE